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Bonneville
Power Administration

in the news

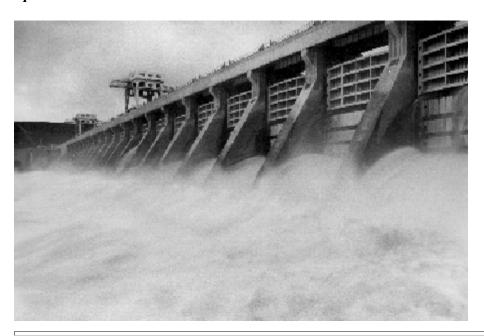
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A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

Journal

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April 1996



Editor's note:

The Journal's new URL:

http://www.bpa.gov/Corporate/KC/home/journal/

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Tribes praise BPA's policy

Tribal representatives praised BPA's Tribal Policy as a model of how federal agencies should work with tribes. BPA Chief Executive Officer Randy Hardy discussed the policy with representatives of the Columbia Basin tribes in Spokane, Wash., on March 29. Individual tribal councils are expected to pass formal resolutions or issue formal letters supporting the policy. BPA's policy is a unique document because tribal leaders and staffs directly participated in drafting it. Policies developed by other federal agencies are usually prepared by agency staffs without review or input by Native Americans. The policy reinforces the commitment to a government-to-government relationship, and recognizes the historical treaties, statutes, and federal Indian case laws defining the extent of Bonneville's trust responsibility.

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Fish spill begins

For the past several months, the federal dams on the Columbia and Snake rivers have been operated for flood control because of above normal rainfall in the region. Beginning this month, in addition to drawing down the reservoir levels for spring flood control, the dams will also be operated to aid juvenile salmon and steelhead migrate down the Columbia and Snake rivers. Dam operators will spill water to help fish get safely past the dams to the ocean. The spill is part of the National Marine Fisheries Service plan for recovering fish listed under the Endangered Species Act. Spill is water passed through a dam's spillway rather than being sent through the turbines. Spill increases the level of supersaturated nitrogen in the water, and high levels of dissolved nitrogen have been linked to gas bubble disease in salmon. The disease is similar to the bends in humans. More than half of the young fish will be transported downstream on barges or trucks.

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Quick action reduces fire damage

At approximately 9:00 p.m. on March 27, an operator discovered a fire in the control house at BPA's Intalco Substation north of Bellingham, Wash. The substation provides service to the Intalco Aluminum Company. Service to the plant was dropped automatically as a result of the fire and the remaining power was dropped manually to protect substation equipment. BPA employees physically closed the circuit breakers at Intalco, re-energized the substation, cooled transformers and began to restore power in less than four hours. Most of the power was restored after an outage of a little more than four hours. It appears no potlines at the aluminum company froze up because of the quick actions of BPA employees. If potlines had frozen, it would have resulted in many days of delay in getting the plant back in operation.

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Conservation and generation data released

BPA's newly released Conservation and Generation Resource Energy Data, also known as the Red Book, shows BPA-funded programs have acquired about 580 average megawatts of energy savings from 1982 through 1995. The energy saved would power a city the size of Spokane, Wash. Most of the savings, about 500 average megawatts, came from conservation acquisition programs and 80 average megawatts from the adoption of energy-efficient building codes and standards. The Red Book summarizes costs and savings that have been achieved as a result of BPA's conservation and generation acquisition programs. BPA spent approximately \$1.56 billion on conservation efforts from 1982 through 1995. Under current contracts, BPA estimates it will acquire an additional 100 average megawatts of conservation energy savings from 1996 through 2003. The Red Book is available by calling BPA's document request line listed on the back page.

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Sen. Hatfield visits BPA

Oregon Sen. Mark Hatfield met with BPA employees on March 8 in Portland and shared his vision for the Northwest's future. The senator seeks to establish a new regional resources planning council to broaden the role of the current Northwest Power Planning Council. Not only would the new council continue to plan for energy and for fish and wildlife in the region, it would plan for all natural resources in the Columbia River Basin. Hatfield said that the region is an integral part of a total ecosystem and planning should encompass all natural resources. The senator also discussed BPA's role in the region saying that BPA has achieved a partnership with public and private power in the Northwest, something no other region has been able to accomplish. Hatfield sees BPA as a viable source of energy in the future.

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Yakima fisheries project underway

A groundbreaking ceremony for the Yakima Fisheries Project in early May will culminate 14 years of planning, research and environmental review by BPA, the Yakama Indian Nation and the Washington Department of Fish and Wildlife. BPA Chief Executive Officer Randy Hardy is scheduled to speak at the groundbreaking. BPA will fund the project, a fish hatchery at Cle Elum, Wash., and three acclimation facilities in the upper Yakima River Basin. The project is intended to help improve, protect and mitigate upper Yakima River spring chinook salmon runs. The hatchery operation is designed to supplement and help rebuild a self-sustaining wild fish run. Eggs are taken from wild fish and incubated in water from streams. The young fish are then released into streams so they will return and spawn in those streams instead of returning to the hatchery. The project's management will be adaptive to making changes as scientists and project managers learn new operation methods to benefit the fish. BPA is funding the project as part of the Northwest Power Planning Council's fish and wildlife program. A study is now underway to determine whether fall coho salmon could also benefit from the project.

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WNP-2 shuts down

At BPA's request, the Washington Public Power Supply System shut down power production at Washington Nuclear Plant 2 on March 1 because of an abundance of hydroelectric power in the Northwest. The shutdown was originally scheduled for April 13 for the plant's annual maintenance. Before the shutdown, the plant had operated continuously for 242 days, its second longest run. This is the first operating year that the plant has operated breaker to breaker, meaning it has had no unscheduled down periods.

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Stranded investment report available

BPA has released a report on its exposure to potential stranded investments for the years 2002-2024. Putnam, Hayes and Bartlett, a consulting firm which has worked with utilities world-wide, compiled the report under a base-case scenario. Findings in the report show BPA should recover its costs and that the stranded cost risk management should be manageable. The study's findings are highly sensitive to changes in assumptions. The study makes several assumptions based on Putnum's assessment of conditions in future electricity markets. The analysis shows BPA producing more than \$100 million in net revenues each year after 2001, presuming BPA meets its current cost management targets. The base-case scenario assumes BPA's residential exchange program will end by 2002, fish spending will be held essentially level in 2002 with future increases no higher than the rate of inflation, BPA's conservation costs do not exceed \$45 million per year by 2003, BPA acquires no new generation resources, and BPA maintains all other costs at budgeted levels from 1997 through 2001 and limits future costs to the rate of inflation.

The report is not indicative of any new BPA policy decision. It gives BPA an understanding of some of the possible results of future changes in the electric industry. Changes to asssumptions could change the study results. If natural gas prices remain low, BPA could have a stranded investment of \$600 to \$800 million from 2002 through 2012. Changes to other assumptions, such as the structure of the utility industry and its market arrangements beyond 2001, could also dramatically change study results. The report is available by calling BPA's document request line listed on the back page.

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Regional Review update

The steering committee of the Comprehensive Review of the Northwest Energy System has established work groups to provide detailed analysis in four areas - transmission, federal power marketing, competition and customer choice, and conservation, renewables and public purposes. Each work group will have co-chairs, called liaisons, from the steering committee. Membership in the work groups is open to all organizations and interest groups but participation may have to be limited if any group sends a large number of participants. The work groups are expected to recommend alternative structures and to provide analysis of each alternative. A written report of results from each work group is expected to be submitted to the steering committee by July 11.

(visit the Comprehensive Review Home Page)

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Power system update

Precipitation above The Dalles Dam was 128 percent of average as of March 26. Precipitation for the month of February was 143 percent of average. The early April forecast is for above normal temperatures with continued precipitation. February streamflows were 266 percent of average for the month, making it the wettest month in the 68 year monthly record. Showers and mild temperatures caused March streamflows to vary from 146 percent to 195 percent of average. March streamflow at The Dalles is projected to be 158 percent of average.

The January through July volume runoff forecast is 160 cubic kilometers (130 million acre-feet), or 123 percent of average. Federal system storage was 37 percent full on March 21, and 35 percent full on the same date in 1995. The hydro system is being operated for flood control.

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How is BPA funded?

BPA is a self-financed federal agency and is not supported by taxpayer dollars. BPA is required by law to establish its rates for power and transmission services to produce revenues that recover BPA's costs. Rates are periodically reviewed and revised to ensure revenues recover costs. BPA is also authorized to have outstanding at any time up to \$3.75 billion of bonds that BPA may issue and sell to the U.S. Treasury. In addition to paying general operating expenses, BPA is required to pay principal and interest to the U.S. Treasury on the bonds. BPA also must repay the federal investment in the BPA transmission system and in the power generation facilities at the federal hydroelectric projects from which BPA markets power. BPA also pays certain operation and maintenance expenses of power generation at these hydroelectric projects.

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Public Involvement

Status reports

1996 Rate Case. The BPA draft ROD will be available on April 29 and the final ROD on May 31.

Albeni Falls Wildlife Management Plan/EA. Work on the EA is progressing and the preliminary draft is expected early this month. Call to be added to the mail list.

Anderson Ranch Wildlife Management Plan/EA. Initial work on the EA has begun. Anticipate the preliminary draft in June. Call to be added to the mail list.

BPA's Business Plan. A new ROD for Templates (Prototype Utility Power Sales Contracts), Amendatory Agreements to the Power Sales Contracts and Custom Contracts is available. The Amendatory Agreement portion supplements the ROD on amendments announced in the March Journal. Call for a copy.

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Canadian Entitlement. The ROD was signed March 11 to move forward with studies and planning for a new transmission line. The line would be located between either Chief Joseph or Grand Coulee substation in central WA and a point on the U.S.-Canada border near Oliver, BC. If you would like a copy, please call. A FYI (#2813) that addresses decisions of the project is also available.

Columbia Gorge Project Vegetation Management. The EA is currently being written. Call to be added to the mail list.

Comprehensive Review of the Northwest Energy System (Regional Review). For information, please call the Northwest Power Planning Council's Public Affairs office at 1-800-3355 or E-mail comments to @nwppc.org. Visit the Comprehensive Review Home Page.

Excess Federal Power Statute Implementation Process. Public meetings are scheduled in Portland and San Francisco (see <u>Calendar</u>). End of the comment period is April 29. A FYI (#2809) that summarizes the project is also available. Call for a copy if you haven't received one.

Hungry Horse Reservation. BPA has notified Montana utilities that wholesale electric power from Hungry Horse Reservation will be available on Oct. 1, 1996. A proposed method of redistributing that power is available for comment until April 10. For a copy, please call the number listed below.

KENETECH/PacifiCorp Windpower Project. The ROD will be available in April. Call for a copy.

Lower Red River Restoration. The preliminary EA will be available in late April. Call to get on the mail list.

Nez Perce Tribal Hatchery EIS. The draft EIS is expected at the end of April. Call to be added to the project mail list.

Oliver Delivery Project. A NOI on the EIS was put in the Federal Register (see <u>Canadian Entitlement</u>). Call to get on the mail list.

Red Book (Conservation and Generation Resource Energy Data). This document (#2810) is now available. Call for a copy. (See story.)

Vancouver Lowlands Columbia River Wildlife Mitigation Project EIS. The NOI was published in the Federal Register on

March 19. An open house has been scheduled (see *(return to table of contents)*

Calendar of Events

Hood River Fisheries Project: April 2, 4 - 6 p.m., Yaucoma Bldg., Hood River, Ore; April 4, 4 - 6 p.m., Warm Springs Community Center, Warm Springs, Ore.

Vancouver Lowlands Columbia River Wildlife Mitigation Project: April 9, 4 - 8 p.m., Fruit Valley Community Center, Vancouver, Wash.

Excess Federal Power Statute Implementation Process: April 10, 9:30 a.m. - 12 p.m., Red Lion Lloyd Center, Portland, Ore; April 12, 9:30 a.m. - 12 p.m., Grand Hyatt San Francisco, San Francisco, Calif.

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(Visit BPA's most recent <u>public meeting calendar</u>.)

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CLOSE OF COMMENT

Hungry Horse Power Reservation: April 10

Vancouver Lowlands: April 22

Hood River Fisheries Project: April 29

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Acronyms:

EA: Environmental Assessment EIS: Environmental Impact Statement FONSI: Finding of No Significant Impact

NOI: Notice of Intent ROD: Record of Decision

Visit the BPA home page at http://www.bpa.gov.

The *Journal* is available on the Internet at http://www.bpa.gov/Corporate/KC/home/journal/.

We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208-3621 or *enballa@bpa.gov*.

For More Information or To Get Involved:

The *Journal* is a monthly newsletter of the Bonneville Power Administration for customers and interested publics.

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For questions/comments: call 230-3478 (Portland) or 800-622-4519, or E-mail to *comment@bpa.gov*. Address comments to: P.O. Box 12999, Portland, OR 97212.

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